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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 11 (Subchapter V)

THREE DIAMOND DINER CORP.,  
PHOTIOS GEORGIU A/K/A FRANK GEORGIU,  
PANAYIOTA GEORGIU, and  
CHARALAMBOS GEORGIU,

Case Nos. 20-22376 (RDD)  
20-22377 (RDD)  
20-22378 (RDD)  
20-22379 (RDD)

Debtors.

(Jointly Administered)

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**STATUS REPORT**

Three Diamond Diner Corp., Photios Georgiou a/k/a Frank Georgiou, Panayiota Georgiou, and Charalambos Georgiou (collectively, the “Debtors”), by and through their undersigned attorneys Morrison Tenenbaum PLLC, submit this status report pursuant to section 1188(c) of the Bankruptcy Code to provide the Court with a summary of the efforts undertaken by the Debtors to attain a consensual plan of reorganization.

On March 10, 2020, Three Diamond Diner Corp. (“Three Diamond”) filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, Subchapter V, and thereafter, continues to operate its business and manage its property as a debtor-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code. No receiver, examiner or creditor’s committee had been appointed. Three Diamond operates a diner known as “Mt. Kisco Diner” located at 252 Main Street, Mount Kisco, New York 10549.

The affiliated debtors Photios Georgiou a/k/a Frank Georgiou (“Frank”), Panayiota Georgiou (“Panayiota”), and Charalambos Georgiou (“Charalambos”) also filed voluntary petitions under Chapter 11, Subchapter V, on March 10, 2020. Frank and Panayiota are each a 50% owner of Three Diamond. All three individuals are defendants in a fair labor standards act case.

The bankruptcy filing was precipitated by a fair labor standards act case pending in the United States District Court for the Southern District of New York, Case No. 19-cv-3460 (the “FLSA Action,” the plaintiffs in that action, the “FLSA Plaintiffs”). That action settled, however the Debtors experienced cash flow difficulties and were unable to pay the settlement. A portion of the settlement was intended to be paid from proceeds of a loan, however the Debtors were unable to obtain funding in time.

Pursuant to the Settlement Agreement, the Debtors agreed to pay the total sum of \$900,000 within 60 calendar days of the District Court’s approval of the agreement. The Settlement Agreement was approved on January 10, 2020 and the 60 day deadline was set to expire on March 10, 2020. In the event that the \$900,000 payment was not made, the Settlement Agreement provides that the amount due would increase to \$2,000,000.

The Debtors efforts to reach a consensual agreement for a plan of reorganization include on the one hand, reviewing their assets to determine the amount that could be paid initially compared to the amount that needs to be paid over time, and on the other hand, negotiating with the FLSA Plaintiffs what the total amount to be paid should be.

The Debtors have had several conferences with the Chapter V trustee Nat Wasserstein regarding the amount that could be paid to the FLSA Plaintiffs and have held a settlement

conference call with counsel to the FLSA Plaintiffs. At this stage, the Debtors are preparing a proposal to present to the creditors.

Additionally, the Debtors are preparing a motion to assume the settlement agreement and are prepared to pay the \$900,000 settlement in full no later than May 9, 2020. Finally, \$300,000 of the \$900,000 is to be paid from insurance and the Debtors are working with the counsel to the FLSA Plaintiffs to obtain the necessary tax documents so that those distributions can be made.

Dated: New York, New York  
April 21, 2020

Respectfully Submitted,

MORRISON TENENBAUM PLLC

/s/ Lawrence F. Morrison

By: Lawrence F. Morrison

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